

TITLE 15. REVENUE**CHAPTER 1. DEPARTMENT OF REVENUE
ESTATE TAX SECTION**

(Authority: A.R.S. § 42-1501 et seq.)

ARTICLE 1. GENERAL PROVISIONS

Laws 1979, Chap. 212 effective January 1, 1980, repealed A.R.S. Title 42, Chapter 9 and added a new Chapter 9.

Former Article 1, consisting of Sections R15-1-01 through R15-1-12, repealed; new Article 1, consisting of Sections R15-1-101 through R15-1-104, adopted and renumbered effective October 30, 1981.

Section

- R15-1-101. Definitions
- R15-1-102. Partnership Interest
- R15-1-103. Interests Involving Real Property
- R15-1-104. Determination of Decedent's Domicile

ARTICLE 1. GENERAL PROVISIONS**R15-1-101. Definitions**

In addition to the definitions provided in A.R.S. § 42-4001, the following definitions apply to this Chapter.

1. "Domicile" means the place where a person has a true, fixed, permanent home. It is the place to which the person intends to return whenever absent.
2. "Intangible personal property" means personal property that represents a right or evidence of value such as bonds, copyrights, currency, franchises, patents, stocks, and trademarks. Currency does not include money held by the decedent for its numismatic value or as jewelry.
3. "Personal property" means all property that is not real property.
4. "Tangible personal property" means personal property that has a physical form and substance and is not intangible.

Historical Note

Former Sections R15-1-01, R15-1-02, R15-1-04 through R15-1-10 renumbered and amended as Section R15-1-101 effective October 30, 1981 (Supp. 81-5). Amended subsection (A) effective July 23, 1985 (Supp. 85-4).

Amended effective February 22, 1989 (Supp. 89-1).

Amended by final rulemaking at 5 A.A.R. 3758, effective September 22, 1999 (Supp. 99-3).

R15-1-102. Partnership Interest

The Department shall classify a decedent's partnership interest as follows:

1. If the partnership business is continued after the death of a partner, pursuant to the Uniform Partnership Act (A.R.S. §§ 29-201 through 29-243) or the partnership agreement, the partnership interest of the decedent is classified as intangible personal property.
2. If the partnership is dissolved upon the death of a partner and the assets distributed in kind, the determination of the Arizona estate is based on the classification of each asset, whether real property, tangible personal property, or intangible personal property.

Historical Note

Former Section R15-1-03 renumbered and amended as Section R15-1-102 effective October 30, 1981 (Supp. 81-5). Amended by final rulemaking at 5 A.A.R. 3758, effective September 22, 1999 (Supp. 99-3).

R15-1-103. Interests Involving Real Property

The Department shall classify interests involving real property as follows:

1. A mortgage on real property is a lien on the property and is classified as intangible personal property.
2. A contract to convey real property constitutes an equitable conversion. If the decedent was the seller, the decedent's interest is classified as intangible personal property. If the decedent was the buyer, the decedent's interest is classified as real property.
3. A lease of real property is an interest in land and is classified as real property.
4. A decedent's beneficial interest under a land trust agreement is classified in accordance with the provisions of the trust agreement. If the agreement provides that the beneficial interest consists of an undivided interest in the land, the interest is classified as real property. If the agreement provides that the beneficial interest consists of an interest in the earnings or proceeds, with no right, title, or interest in any portion of the land, the interest is classified as intangible personal property.

Historical Note

Former Section R15-1-11 renumbered and amended as Section R15-1-103 effective October 30, 1981 (Supp. 81-5). Section repealed; new Section adopted by final rulemaking at 5 A.A.R. 3758, effective September 22, 1999 (Supp. 99-3).

R15-1-104. Determination of Decedent's Domicile

The Department shall consider all circumstances including the following in determining a decedent's domicile:

1. Ownership or lease and occupancy of dwelling;
2. Place of transaction of business or employment;
3. Registration as voter;
4. Place of filing of federal income tax return;
5. Declaration of place of residence in will;
6. Recitals in deeds and legal documents;
7. Written and oral declarations;
8. Situs of bank accounts and securities;
9. Membership in church, clubs, lodges, or societies;
10. Automobile registration and driver's license;
11. Claiming or filing homestead exemptions; and
12. Registration in public or private schools of minor children living with their parents.

Historical Note

Former Section R15-1-12 renumbered and amended as Section R15-1-104 effective October 30, 1981 (Supp. 81-5). Section repealed; new Section adopted by final rulemaking at 5 A.A.R. 3758, effective September 22, 1999 (Supp. 99-3).